

Fossil Fuel Facilities Proposed Code Changes

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March 8, 2022

Vancouver Planning Commission
Workshop

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Presentation Overview

- Moratorium Background and direction from Council
- Prior PC Review
- General Approach to Regulating Bulk Fossil Fuel Uses
- Current Fuel Storage Facilities in Vancouver
- Summary of Stakeholder Input
- Next Steps

Prior Planning Commission Review

- Planning Commission workshops were held on:
 - May 25, 2021
 - July 27, 2021
- During the May workshop staff gave general overview and background information
- During the July workshop, staff presented answers to Planning Commissioner's questions brought up during the May workshop

Fossil Fuel Facility Moratorium Background

- Enacted June 2020, most recently extended on December 8, 2021; set to expire June 8, 2022 unless extended
- Moratorium applies to new or expanded large-scale fossil fuel facilities engaged in:
 - Distribution, extraction, refinement, processing, transshipment and bulk storage (over 2 million gallons) of fossil fuels used for energy production
 - Includes coal, petroleum, natural gases (methane, propane, butane, etc.)
 - Does not apply to storage or use of petroleum for commercial sales or industrial processes (e.g. fertilizer or plastics manufacturing, asphalt plants, etc.), or maintenance or repair of existing facilities

Prior Council Direction

- Amend the Title 20 land use code to prohibit new large-scale fossil fuel facilities in all zoning districts
 - Provide definitions for regulated fossil fuels and large-scale facilities consistent with moratorium
 - Consider whether expansion of existing large-scale fossil fuel facilities should be allowed and, if so, what standards should apply
- Same approach as was used in 2014 to restrict the expansion of crude oil storage and refining facilities

Approach to Revising VMC Title 20

- City of Tacoma and Whatcom County have recently updated their land use regulations regarding fossil fuel facilities; city staff looking to learn from their experiences but keep changes “simple”
- Both Tacoma and Whatcom County received guidance and expertise from BERK Consulting, including drafting code language and writing SEPA checklists; city staff currently in process of contracting with BERK
- BERK is interested in assisting Vancouver, but will not have capacity until late April
- An extension of the moratorium will likely be needed prior to June

Approach to Revising VMC Title 20 (cont.)

- Code changes will prohibit new large-scale fossil fuel storage, processing, transfer facilities if fuel is used to generate energy;
- Code changes will likely prohibit expansion of existing facilities unless switching to cleaner fuel product, possibly subject to a conditional use permit whereby impacts can be assessed (PC Discussion on this later)
- Fix existing code which currently allows biomass and coal electricity generation and solid fuel yards in certain zoning districts
- Need for a number of new definitions related to petroleum and related fossil fuels

Approach to Revising VMC Title 20 (cont.)

Exemptions from fossil fuel regulations:

- Railyards, airports, or marine serving facilities where fuel is ancillary
- Facilities producing energy from landfill gas, fossil fuel by-products such as asphalt or others, or direct consumer sales such as gas stations
- Upkeep, repair, maintenance, or City-mandated health and safety improvements to existing facilities
- Recommend that ancillary fuel storage for industrial processing be clearly allowed in conjunction with the primary use

Fossil Fuel Code Changes– Impacted Facilities

- 6 existing facilities initially identified, on lands with moderate to high liquefaction susceptibility in the event of an earthquake
- The facilities generally process, store, or transport propane, natural gas, and petroleum products



Fossil Fuel Code Changes– Impacted Facilities



CPU River Road
Generation Plant

NGL Energy
Partners

Tristar Fuel
Transfer Facility

Fossil Fuel Code Changes– Impacted Facilities



Kinder Morgan

Tesoro

NuStar Energy

Fossil Fuel Code Changes– Impacted Facilities

Trillium CNG (also referred to as NuStar Annex)
Fruit Valley Rd.
Compressed Natural Gas Facility



Stakeholder Outreach To-Date

- Port of Vancouver and NuStar (tenant)
- Western States Petroleum Association (WSPA)
- Tidewater
- SW Washington Beyond Fossil Fuel Task Force
- Columbia Riverkeeper
- Washington Environmental Council
- Friends of the Gorge
- Physicians for Social Responsibility
- NW Natural

Stakeholder Feedback

- Environmental-interest groups generally supportive of approach
- Industry group concerns: impacts to overall economy; unclear if existing facilities able to make seismic retrofits or consolidate tanks; transition to renewable fuels; possible need for future expansion in capacity
- Port of Vancouver and Western States Petroleum Association (WSPA) commented on the City's SEPA Mitigated Determination of Non-Significance; WSPA filed an appeal citing inadequacy of analysis
- City withdrew the MDNS, and will enhance the analysis and reissue it based on updated proposed code changes

Issue #1 Requiring PC Input

1. Threshold for Large-Scale Fossil Fuel Storage Facilities = 2 million gallons

- Moratorium appears to allow new fuel storage less than 2 M gallons; should all new bulk storage be prohibited? (Tacoma threshold = 1 M gallons)
- Should clean fuel infrastructure including storage and processing be allowed?



2 M gallon tank

Issue #2 Requiring PC Input (cont.)

2. Allow Expansion of Existing Facilities?

- Existing code prohibits any expansion of existing bulk crude oil storage facilities
- If expansion of other fossil fuel facilities is allowed, issues include:
 - Under what conditions? (seismic upgrades, switch to cleaner fuels with lower Greenhouse Gas impact, relocation/consolidation of tanks?)
 - How much of an expansion? (up to a max. total gallons, % or total volume, or % increase?)
 - By what process? (allowed outright or conditional use permit?)

Expansions: Tacoma Case Study

- Staff met with Tacoma staff to discuss their fossil fuel ordinance approved in December 2021
- Tacoma prohibits new petroleum fuel facilities; limits expansion of existing facilities to 15% cumulative limit on petroleum tankage for the purpose of producing cleaner fuels
- Tacoma includes extensive definition for “cleaner fuels” as carbon-free fuels that generate no carbon emissions including green hydrogen as well as other alternative fuels

Issue #3 Requiring PC Input (cont.)

3. Confirm Staff's Recommended Approach Regarding:

- Amend VMC 20.160.020 D,1 Use Classification – “Industrial Services” to delete *fuel oil distributions* and *solid fuel yards* from the description, as these are currently allowed in all four industrial zoning districts
- Amend VMC 20.440.030-1 Industrial Districts to prohibit *biomass and coal energy generating plants* in the IH Heavy Industrial District (footnote 33)
- Expressly state that fuel storage for vehicles or manufacturing processes is permitted as ancillary to an allowed use

Next Steps

- Q1: Ongoing stakeholder outreach on revised draft code provisions
- Q1: Staff to contract with BERK Consulting
- Q2: Write ordinance, enhance SEPA analysis and reissue determination
- Q2: Staff to request a three-month extension of moratorium
- Q2: Planning Commission workshop and public hearing on code amendments
- Q3: Council workshop(s) and public hearing

Questions and Discussion

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